

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

## **IMMEDIATE ACTION REQUIRED**

### **MEMORANDUM**

**DATE:** May 20, 2005

**TO:** County Auditors and Assessors, Township and Trustee Assessors

**FROM:** ERA Section, Budget Division

**SUBJECT:** Economic Revitalization Area (ERA) – Personal Property Tax Abatements

This memorandum is to update you on statutory changes made during the 2005 legislative session. These changes were contained in SEA 1, SEA 327, and HEA 1182. The first section of this memorandum summarizes the changes made in each piece of legislation. The second section presents the ERA personal property abatement processing details by assessment year in a table format. **The third section requires IMMEDIATE ACTION. It is a sample draft of a notice to taxpayers filing a personal property abatement application and must be mailed by the county auditor by June 1, 2005.**

#### Section 1

##### Summary of ERA Changes in SEA 1:

- Amends IC 6-1.1-12.1-5.4 to replace the annual personal property deduction application that was filed with county auditor with a schedule that is part of the personal property return filed with the township assessor. Gives authority for approval of the ERA personal property abatement to the township or county assessor instead of the county auditor. *Effective 2006 pay 2007*
- Amends IC 6-1.1-12.1-5.4(h) to change review of a property owner's appeal of an abatement determination from the local courts to a preliminary conference with the county or township assessor and, if necessary, a hearing before the county property tax board of appeals (PTABOA). *Effective 2006 pay 2007*

##### Summary of ERA Changes in SEA 327:

- Added a non-code provision that makes the tax statement serve as notice of the final determination for the 2003 pay 2004 ERA personal property tax abatement deduction if the DLGF has not issued a final determination before June 1, 2005. Allows the county auditor or the taxpayer to appeal the personal property tax

abatement deduction shown on the 2003 pay 2004 tax statement to the Indiana Board of Tax Review (IBTR) using Form 139 found at [www.in.gov/ibtr/forms](http://www.in.gov/ibtr/forms). *Effectively immediately.*

- Added a non-code provision that makes the tax statement serve as notice of the county auditor's final determination for the 2004 pay 2005 and 2005 pay 2006 ERA personal property tax abatement deductions. Changes review of a property owner's appeal of an abatement determination for 2004 pay 2005 and 2005 pay 2006 from the local courts to a preliminary conference with the county auditor and, if necessary, a hearing before the county property tax board of appeals (PTABOA). *Effective immediately.*
- Adds a non-code provision that allows the appeal of 2003 pay 2004 and 2004 pay 2005 ERA personal property abatement determinations to be filed not later than forty-five (45) days after issuance of the tax statement or July 14, 2005, whichever is later. See Section 2 for additional information. *Effective immediately.*
- Adds a non-code provision that allows the appeal of a 2005 pay 2006 ERA personal property abatement determination to be filed not later than forty-five days after issuance of the tax statement. See Section 2 for additional information. *Effective immediately.*
- Adds a non-code provision that requires county auditors to mail a notice to each property owner who filed a personal property tax abatement application (Form 322 ERA/PPME or Form 322 ERA/PPR&DE) for 2003 pay 2004 and 2004 pay 2005 advising them of the revised approval and appeal procedures. **Requires the county auditor to mail the notice before June 1, 2005.** *Effective immediately.*
- Adds a non-code provision that requires county auditors to mail a notice to each property owner who filed a personal property tax abatement application (Form 322 ERA/PPME or Form 322 ERA/PP Other) for 2005 pay 2006 advising them on the revised approval and appeal procedures for deductions. **Requires the county auditor to mail the notice to be mailed on or before the date the tax statement is issued.** *Effective immediately.*

#### Summary of ERA Changes in HEA 1182:

- Amends IC 6-1.1-12.1-9 to extend the sunset date of real and personal property ERA deductions to December 31, 2011 from the current expiration date of December 31, 2005. The amendment automatically extends all future approval deadlines in increments of five years unless the General Assembly terminates the automatic extensions and specifically designates a particular date as the final approval deadline. *Effective 2006 pay 2007.*
- Adds a non-code provision that states ERA abatement deductions that were approved under IC 6-1.1-12.1 before July 1, 2005 remain in effect after June 30, 2005, according to the provisions of IC 6-1.1-12.1 as they existed on June 30, 2005. *Effective July 1, 2005.*

Should you have questions regarding any of the information presented in the memorandum, please contact Deanne Ludwig at (317) 233-6835.

## Section 2

### Summary of 2005 legislative changes to personal property ERA abatement processing.

<i>Assessment Year</i>	2002	2003	2004	2005	2006 and subsequent
<i>Pay Year</i>	2003	2004	2005	2006	2007 and subsequent
<i>Certificate of Compliance filing</i>	Form CF-1	Form CF-1	Form CF-1/PP	Form CF-1/PP	Form to be filed with personal property return
<i>Date to file certificate of compliance</i>	May 15 <sup>th</sup> unless extension granted under IC 6-1.1-3.7.	May 15 <sup>th</sup> unless extension granted under IC 6-1.1-3.7.	May 15 <sup>th</sup> unless extension granted under IC 6-1.1-3.7.	May 15 <sup>th</sup> unless extension granted under IC 6-1.1-3.7.	May 15 <sup>th</sup> unless extension granted under IC 6-1.1-3.7.
<i>Application Form</i>	Form 322 ERA/PPME or Form 322 ERA/PPR&DE	Form 322 ERA/PPME or Form 322 ERA/PPR&DE	Form 322 ERA/PPME or Form 322 ERA/PPR&DE	Form 322 ERA/PPME or Form 322 ERA/PP Other	Schedule attached to PP return
<i>File Application with</i>	County Auditor	County Auditor	County Auditor	County Auditor	Township Assessor
<i>Official who reviews application</i>	DLGF	DLGF	County Auditor	County Auditor	Township Assessor
<i>Notice of abatement</i>	Final Determination notice from DLGF	Final Determination from DLGF or tax bill	Tax bill	Tax bill	No notification required if assessor accepts amount claimed. Notice to taxpayer if assessor denies or alters amount claimed
<i>Who can appeal</i>	Taxpayer	Taxpayer or County Auditor	Taxpayer	Taxpayer	Taxpayer
<i>Appeal Deadline</i>	45 days from date of determination	Later of 45 days from date of determination or tax bill or July 14, 2005	Later of 45 days from date of determination or tax bill or July 14, 2005	45 days from date of tax bill	45 days from date of notice
<i>File Appeal with</i>	Form 139 with the IBTR	Form 139 with the IBTR	Preliminary Conference with County Auditor	Preliminary Conference with County Auditor	Preliminary conference w/assessor
<i>Adjudicating Body</i>	Indiana Board of Tax Review (IBTR)	Indiana Board of Tax Review (IBTR)	Form 130 appeal to PTABOA	Form 130 appeal to PTABOA	Form 130 appeal to PTABOA

**This is a sample draft of the notice county auditors are required to send to taxpayers by June 1, 2005.**

Section 3

**DATE:** [Insert date]

**TO:** [All taxpayers with personal property abatements in 2003 pay 2004, 2004 pay 2005, or 2005 pay 2006]

**FROM:** [County Auditor]

**SUBJECT:** Personal Property Tax Abatement Appeals

Pursuant to legislation passed in the 2005 legislative session, the county auditor must mail a notice, by June 1, 2005, of the filing and appeal procedural changes for taxpayers who filed an application (Form 322 ERA/PPME or Form 322 ERA/PPR&DE) for a personal property tax abatement in 2003 pay 2004 or 2004 pay 2005.

In addition, the county auditor is required to mail notice of the filing and appeal procedural changes for taxpayers who filed an application (Form 322 ERA/PPME or Form 322 ERA/PP Other) on or before the date that the tax statement is issued for a personal property tax abatement in 2005 pay 2006.

Please refer to the **attachment** that outlines the appeal procedures for applications filed in 2003 pay 2004, 2004 pay 2005, and 2005 pay 2006.

The Department of Local Government Finance (DLGF) is in the process of developing forms and procedures for 2006 pay 2007 to replace the current personal property tax abatement applications (Form 322 ERA/PPME and Form 322 ERA/PP Other). This form will be a schedule attached to the Business Tangible Personal Property Return and will be distributed to counties and local printers at a later date.

Should you have questions regarding this matter, please contact the County Auditor's Office where the property is located at [insert phone].

**Attachment:** Chart – Summary of 2005 legislative changes to personal property ERA abatement processing.